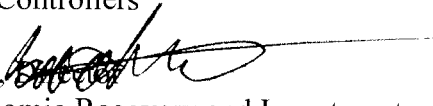


July 20, 2011

**MANAGEMENT DIRECTIVE # 9**

TO: Senior Management Team for Recovery  
Departmental Budget Contacts  
Departmental Controllers

FROM: Bob Etheridge,   
Office of Economic Recovery and Investment

SUBJECT: Continuation of Administrative Billing Rate for ARRA Grants

Attached is a copy of a letter from David T. McCoy, State Controller. This letter explains the continuation of the use of the federally approved billing rate for administrative costs under the American Recovery and Reinvestment Act of 2009. As Mr. McCoy explains, the rate issued was provisional and is to be used until the rate is reviewed and subsequently adjusted.

**Continued Implementation of Billing Plan**

Departments (not Universities) should continue to calculate monthly the amount of funding to be transferred to the Office of State Management and Budget for the allowable costs of administrative overhead. The billing rate for ARRA oversight is .29% of the amount of funding drawn from the Federal Grantor. Departments should continue to calculate the amount that is to be drawn for ARRA oversight by multiplying the amount of funding drawn by .0029. This amount should be drawn and transferred to OSBM, Department Code 3005. The Description Narrative must specify that the transfer is for the ARRA Billing Rate. Ms. Arnetha Dickerson in the Office of State Budget and Management continues to handle receipt of the transfers. If you are using NCAS to record your expenditures, use Vendor Code 561310675, Group 04, and again specify the description ARRA Billing Rate. Accounting entries continue as they have been.

Thank you for your continued support for the ARRA program. Should you have questions, please contact a member of the OERI Financial Team, Sally Hunter (733-1549) or Jane Smith (733-1560).

BE/js

Attachment




## State of North Carolina Office of the State Controller

DAVID T. MCCOY  
STATE CONTROLLER

July 19, 2011

### MEMORANDUM

**TO:** Bob Etheridge

**FROM:** David T. McCoy 

**SUBJECT:** Continuation of Approved Overhead Billing Rate for Administrative Costs under the American Recovery and Reinvestment Act of 2009

Per an agreement with the U.S. Department of Health and Human Services – Division of Cost Allocation, dated December 2, 2009, the North Carolina Office of Economic Recovery and Investment (OERI) was granted a provisional rate for the recovery of administrative overhead incurred as a result of work performed by OERI, and other State agencies, in administering, and distributing grant money received by the State of North Carolina as a result of the American Recovery and Reinvestment Act of 2009 (ARRA).

The provisional rate of .29% that was issued for the period July 1, 2008 through June 30, 2011 was developed based on projections of overhead costs for the entire recovery period, which goes well beyond June 30, 2011. It was understood these projected costs would be reviewed, and subsequently adjusted, to reflect both under and overbillings that have resulted from the actual expenses incurred during the period of grants administration by State agencies involved in ARRA effort.

Therefore, until such time as this provisional rate is reviewed, please continue to use the .29%, with the understanding this rate will be adjusted in the future to reflect the actual costs that have been incurred by OERI and other contributing State agencies.

Thank you for your attention to the above. Should you have questions, please call Randy Thomas at (919) 981-5488.

DTM/rt